

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7654

BILL NUMBER: SB 362

NOTE PREPARED: Jan 6, 2005

BILL AMENDED:

SUBJECT: Notice of Existence of Insurance Policy.

FIRST AUTHOR: Sen. Broden

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires certain insurers to notify enforcement authorities in a second class city concerning the existence of coverage for a building or structure that is located in the city and damaged by fire or explosion.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill makes it so that insurers who have policies covering certain buildings in any second class city must provide notification to the city of the insurance coverage. This expands the potential pool of insurers who could violate this requirement. The Commissioner of the Department of Insurance may bring an action against an insurance company for violating this requirement. Department should be able to absorb any additional administrative costs if more actions are brought forth.

Explanation of State Revenues: *Court Fee Revenue:* If an action is brought forth against an insurer for violating this requirement, the action must be filed in the Marion County circuit court. If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed. 70% of the filing fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100

filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected: Department of Insurance.

Local Agencies Affected: Second Class Cities.

Information Sources: IC 27-1-3-19.

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